

Tilney, Ladd &amp; Co.

Railroad  
Bonds

New York

## FINANCIAL NEWS AND COMMENT

**Further Rise Indicated After Two Weeks of Greatest Activity Since 1908.**

### BUYING OF SOLID NATURE

**Market's Technical Position Strong, but Danger Faces Wild Speculation.**

More fuel has been added to the flames that are keeping the speculative pot boiling. On Saturday the placing of the largest copper order on record was announced, and another strong bank statement was made public.

Trading on that day ended with a flourish, and in spite of the fact that some of the advances were rapid, unbiased observers predicted that prices to-day would move upward.

For ten days or two weeks vigorous efforts were made to force a substantial reaction. Then came a number of stock were thrown onto the market, and the bullish operators closed out their lines, because they believed a reaction was overdue, and bears operated aggressively. Prices did decline a little, and on Wednesday predictions were freely made that a violent break would be necessary before the market could move upward. Subsequent events proved that the technical position was stronger than the professionals had supposed. The demand from outsiders was even greater than the optimists had hoped, and after Thursday's session failed to reveal any sign of weakness, important operators gave up hope of a real reaction.

#### Significant Comparisons.

For more than two weeks trading has been at the rate of more than a million shares a day. In spite of this activity—the greatest since 1908—loans of associated banks of New York have increased only \$10,000,000. The average amount of loans on the books of the City of New York member banks the week ended September 9 was less than \$100,000,000, or about \$1,300,000 more than the actual total at the end of that week. Last Saturday morning the total was only \$21,510,000. The significance of these figures is that most of the men who have been buying stocks have not been using bank credit, and that they have been able and willing to pay for what they bought, and brokers instead of increasing their loans have been reducing them.

At the same time deposits have been growing. The actual amount of net deposits reported by the associated banks—\$1,000,000,000, or about \$462,124,000. During the same period aggregate reserve has increased \$51,447,000, and the excess reserve has jumped from \$65,801,000 to \$114,124,000. The ratio of excess reserve to reserve has been advanced from 12.5 per cent. to 26.1 per cent. The gain in the ratio during the last week was 4.1-2 per cent.

There has been an actual decrease in the loans of non-member banks and trust companies in the last two weeks, the total on September 9 being reported as \$1,665,000, and on September 23 as \$1,721,639,000. The gain in aggregate reserve has been due largely to gold imports. This gold has been slow in finding its way into bank vaults. In the week ended September 9 the associated banks gained \$5,750,000 of gold. Last week they gained \$19,860,000, or a total for the two weeks of \$25,612,000.

Unless the bankers abandon their conservative policies—and this is not expected—the position of the New York banks should continue to improve, so that the ratio of excess reserve to aggregate amounts from Europe, and while the banking position is improving there will be an abundance of money for stock market purposes.

And there is plenty of basis for bullish beliefs. As already pointed out, the action of the foreign governments that this technical position was stronger than supposed, and there can be no question as to the interest which is being manifested by the great army of investors and speculators throughout the country.

#### Outlook Brighter.

Fundamental conditions are extraordinary, and the public is becoming aware of the significance of the continued increase in our prosperity. Financially and industrially the country is better able to meet competition than ever before and the prospects of a Republican victory in November are becoming brighter. Republican victory would be regarded as assurance that intelligent and fearless efforts will be made to safeguard the interests of American capital and labor against the kind of competition which we must meet after the end of the war.

It is well to remind traders that the re-appearance of Villa may herald another change in the Mexican outlook and also that European affairs will not continue unchanged indefinitely. Cable despatches recently have told of the agitation in Germany for a revival of the old submarine war, and while this agitation will be fruitful of result, the possibility is there. Whatever Villa may do will not affect fundamental conditions in this country to any great extent and probably even a recurrence of submarine hostilities would check the onset of industrial life.

Such developments, however, could be used to good advantage by the Wall Street bears and because of numerous international uncertainties it is particularly necessary that speculation be held in restraint.

This is the banking leaders realize, and though the general tendency of prices is expected to be upward for some time, a runaway market would call for stringent methods. The man who buys on small margin at this time is taking great chances, but conditions favor the conservative speculator and investor.

#### LAST WEEK'S BOND MARKET.

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